

**DECLARATION**

of  
COVENANTS, CONDITIONS, RESTRICTIONS,  
RESERVATIONS AND EASEMENTS  
FOR  
**THE ESTATES AT STONE RIDGE**  
City of Montrose, Montrose County, Colorado

DECLARATION OF The Estates at Stone Ridge (the "Declaration") made this 6<sup>th</sup> day of December, 2016 by Stone Ridge of Montrose LLC,, a Colorado limited liability company, as the "Declarant," pursuant to the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, *et seq.*, as it may be amended from time to time (the "Act").

**RECITALS**

- A. Declarant owns real property in the City of Montrose, Montrose County, Colorado, which has been approved for development and subdivision by the City Of Montrose under the name "The Estates at Stone Ridge" (Stone Ridge) This Declaration intends to establish The Estates at Stone Ridge as a common interest planned community to foster the orderly and uniform development of Stone Ridge by Declarant. The covenants, conditions and restrictions contained in this Declaration intend to protect, in perpetuity, the health, safety and property values within Stone Ridge and to promote Declarant's planned development and marketing of Stone Ridge. This Declaration establishes important standards, rights, obligations and restrictions relative to owning real property within Stone Ridge.
- B. Nothing herein binds the City of Montrose or will be enforced by the City of Montrose. The City of Montrose will enforce its ordinances, regulations, conditions of the approved planned unit development (P.U.D.), Plats, and Development Agreements as such may be amended from time to time, regardless of anything to the contrary herein.

NOW THEREFORE, in consideration of the above Recitals, the Declarant states as follows for this Declaration:

**ARTICLE I.**  
**SUBMISSION OF REAL PROPERTY**

1.1 **Declaration and Submission.** Declarant hereby submits the real estate legally described in Exhibit "A," together with such additional real estate as may be subsequently added, pursuant to the expansion rights, development rights and special declarant rights reserved herein, together with all easements, rights, and appurtenances thereto and the buildings and improvements erected or to be erected thereon, to the provisions of the Act. Declarant further hereby declares that the real property defined below as The Estates at Stone Ridge, and any property added by expansion, shall be acquired, owned, held, transferred, sold, maintained, used and occupied subject to this Declaration and all covenants, conditions, restrictions, rights, notices, exceptions, reservations, development rights, easements, obligations, assessment obligations, encumbrances and other provisions stated in this Declaration, as may be amended and supplemented from time to time. This Declaration applies to any improvements constructed within The Estate at Stone Ridge.

- (a) The Estates at Stone Ridge. The Estates at Stone Ridge (The Plat) is incorporated into this Declaration by this reference as though fully set forth. The Plat shall contain and depict further rights, restrictions, easements, variances, development rights, special declarant rights and other reservations important to all aspects of The Estates at Stone Ridge. The

Plat also sets forth identifying numbers for each Lot. It also reserves and creates, among other things, the boundaries and configuration of the Lots, building setback lines, no building zones, measurements, dimensions and location of the Lots, improvements located or to be located on the Lots, pipeline easements, parking areas, common and/or public roads, open space tracts, common elements, limited common elements, utility easements, alleys, pedestrian easements, sidewalks, bike paths and irrigation ditches, water courses, surface drainage easements and other encumbrances and notices.

(b) Development of Estates at Stone Ridge/Maximum Lots. Estates at Stone Ridge is a phased development 100 units of residential density. As specified in Article 6 herein below, Declarant shall also have the right to add units and to add real property to The Estates at Stone Ridge provided that the number of Lots or units added or created does not exceed a maximum of 200 residential units. This maximum shall not be deemed to impair any right herein to add unspecified units if allowed by law.

(d) Identification of Lots. Pursuant to C.R.S. § 38-33-204, every contract for sale, deed, written conveyance, lease, First Lien Security Interest, encumbrance, will or other legal instrument shall legally describe a Lot within River Park II as follows:

Lot \_\_\_\_\_, Estates at Stone Ridge Filing No. \_\_\_\_\_, according to and subject to that certain Real Property Declaration and Plat Map recorded in the Office of Montrose County Clerk and Recorder at Reception No. \_\_\_\_\_ and Reception No. \_\_\_\_\_, respectively, Town of Montrose, Montrose County, Colorado.

(g) Easements and Reversions. Declarant hereby reserves, creates and discloses the following easements, notices and rights relative to The Estates at Stone Ridge, which may also be depicted on the Estates at Stone Ridge Plat: There are no easements, or reversions, however, Declarant does reserve the right but not the obligation to add and subdivide the real estate specified on Exhibit B attached hereto and made part of this Declaration.

(h) Titles and Taxation. Each Lot shall constitute for all purposes a separate parcel of real property and shall be separately assessed and taxed by applicable governmental taxing authorities. Any lien for delinquent taxes shall be confined to the particular Lot involved and shall not affect title to any other Lot.

## ARTICLE II. DEFINITIONS

2.1 **General.** Each capitalized term or term of special applicability used in this Declaration or used in the Estates at Stone Ridge Plat shall have the meaning specified or used in the Act, unless otherwise defined or used in this Declaration.

- (a) Act or CCOIA. The Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, *et seq.*, as it may be amended from time to time.
- (b) Agency. Any agency or corporation that purchases or issues residential mortgages.

- (c) Articles of Incorporation or Articles. The Articles of Incorporation for The Estate at Stone Ridge Owners Association, a Colorado nonprofit corporation, as may be amended from time to time.
- (d) Annual Assessment. The Assessment levied pursuant to an annual budget.
- (e) Assessment. The Annual, special and Default Assessments levied pursuant to Article \_\_\_\_ below. Assessments are also referred to as a common expense liability as define under the Act.
- (f) Association. The Estate at Stone Ridge Owners Association, a Colorado nonprofit corporation, its successors and assigns.
- (g) Bylaws. The Bylaws adopted by the Association pursuant to C.R.S. § 38-33.3-306 and amended from time to time.
- (h) City. City of Montrose
- (i) Clerk and Recorder. The office of the clerk and recorder in the County of Montrose
- (j) Common Elements and General Common Elements. Means the Real Estate within The Estates at Stone Ridge owned by the Association, other than a Lot; which real property is designated in the plat map to be recorded for the enjoyment of all the owners
- (k) Common Expenses. As used in this Declaration, this term includes assessment charges levied by and for the benefit of the Association, pursuant to the Governing Documents, including, but not limited to: (i) annual costs and expenses of the Association; (ii) large single-item expenditures of the Association (including but not limited to, capital expenditures, open space acquisitions and "Special Assessments"); (iii) amounts necessary to fund reserves pursuant to this Declaration; (iv) amounts for trash services; and (v) amounts for irrigation and landscaping water charges and leases.
- (l) County. The County of Montrose, Colorado
- (m) Common Expenses Assessment(s); Assessment(s). In addition to the definition included in the Act, shall include, but not be limited to, the following items levied against a particular Owner and/or Lot for the purposes of promoting the health, safety, and welfare of Estates at Stone Ridge and to enforce this Declaration and to construct improvements and acquire additional open space tracts: (i) late charges, attorneys' fees, fines, and interest; (ii) charges against a particular Owner and the Lot for the purposes of reimbursing the Association for expenditures and other costs of the Association in curing any violation of the Governing Documents by the Owner (including "default assessments"); and (iii) utility assessments and insurance assessments (assessed in proportion to risk).
- (n) Declarant. Declarant means the Declarant named in this Declaration, and any successor and/or assignee designated by Declarant.
- (o) Declaration. Collective reference to this Declaration and all the covenants, conditions, restrictions, limitations, reservations assessments, charges, lines, easements, and other provisions set forth in herein as may be amended or supplemented.

- (p) Design Guidelines. Collective reference to all written design and development guidelines, policies and procedures, building standards and material specifications, application and review procedures and fee schedules, and all architectural controls that apply to all construction and the placement, installation or removal of Improvements within Estates at Stone Ridge and which are enacted by the Executive Board, its authorized delegates, and the DRC pursuant to their rule-making authority.
- (q) Design Review Committee/DRC. The committee created by Declarant for the purpose of administering and establishing controls over The Estates at Stone Ridge to ensure the desired development, design, use and improvement of those other than the improvements made by the Declarant.
- (r) Executive Board or Board of Directors. The governing body of the Association which is designated hereby and in the Articles and Bylaws.
- (s) First Lien Security Interest. Any unpaid and outstanding mortgage, deed of trust or other security instrument recorded in the records of the office of the Clerk and Recorder of the County of Montrose, Colorado, having priority of record over all other recorded liens except those governmental liens and Common Expense Assessment liens made superior by statute.
- (t) Governing Documents. Collective reference to those written documents which govern the operation of the Association and Estates at Stone Ridge including: (i) its Articles of Incorporation; (ii) its Bylaws; (iii) its Rules and Regulations; (iv) Design Guidelines; and (vi) this Declaration, as one or more of the same may be amended from time to time. Each and every provision of the Governing Documents shall be given the force and effect as if set forth in this Declaration, which document shall control in the event of any conflict.
- (u) Improvement(s). Without limit, includes structures, fencing, landscaping, signs, vegetation, utilities, roads, driveways and buildings within or upon a Lot, including any substantial change, removal or addition to any structure or attachment.
- (v) Lot(s). A general term to describe any unit, parcel, tract or other physical portion of property within Stone Ridge designated for separate ownership or use as shown on the Stone Ridge Plat with separate boundaries, including any Improvements erected or to be erected thereon. Lot shall also be deemed to include a separate unit that is part of a duplex, triplex or other shared-lot structure. As used herein, "Lot" shall also mean a unit as that term is defined in the Act. Lot shall also mean any property or units that are added to Stone Ridge pursuant to declarant rights or otherwise.
- (w) Notice of Violation. An instrument which shall set forth the name of the owner of record, the nature of the covenant violation and covenant violated, the approximate dates of violation and containing provisions for the signature of the DRC or the Association.
- (x) Owner or Lot Owner. The Declarant, or any other person or entity that owns, acquires, accepts, purchases or otherwise acquires a Lot in Stone Ridge. Lot Owner shall be a similar term to Unit Owner as defined in the Act.

- (y) Purchaser. A person, other than a Declarant or an assignee of Declarant and its special declarant rights, development rights and other reserved rights, who by means of a transfer acquires a legal or equitable interest in a Lot.
- (z) Rules and Regulations. Collective term for all rules, regulations, policies, procedures and guidelines of the Association, in general, and including the Design Guidelines, specifically as the same may be adopted and amended from time to time by the Executive Board or the DRC pursuant to the Act, this Declaration and Bylaws.

### Article III Restriction on Use

3.1 **General Restrictions.** All of the Estates at Stone Ridge Lots shall be held, used and enjoyed subject to following limitations and restrictions, subject to the Development Rights and Special Declarant Rights reserved by the Declarant.

(a) Restrictions Fences. Only Almond colored vinyl fencing shall be allowed. All fencing must be approved by the DRC. Fencing shall be allowed only on the lot boundaries and shall not project beyond the plane created by the most set back portion of front of the houses on the lots it separates. No fencing shall be allowed in the front yard of any home. If the fence is built upon the property line, Ownership and the obligation can vest in the owner erecting the fence, but in the situation where two homeowners cooperate in the construction of a fence the ownership and maintenance shall be

Such agreements shall be negotiated solely between the homeowners. However, the DRC and the HOA Board of Directors shall be provide a copy of such agreement. All lot boundary fencing shall be 6' high with specifications approved or selected by DRC. Some specific areas lots as designated in section 4.2.6 of the Design Guidelines, shall not be allowed boundary fences ..

(b) Animals/Dogs. No animals, horses, swine, goats, livestock, or poultry of any kind may be raised, bred, kept or pastured on the Stone Ridge Lots. Dogs and generally recognized house pets (to a maximum of four) are allowed subject to all City of Montrose ordinances or laws. Dogs shall be confined to an unfenced dog run to the rear of all structures or within an approved fenced area. The Association may ban problem dogs with notice to and an opportunity to be heard from the Lot Owner who owns the dog(s). The breach of any of these rules shall constitute a noxious and offensive activity. The Declarant, the Association or any Lot owner may enjoin or seek damages for the maintenance of such animals within Stone Ridge. For the purposes of this Declaration, a problem animal shall mean an animal that barks uncontrollably, an animal that roams freely and habitually, an animal that chases or harasses wildlife or an animal who is otherwise unsafe or vicious. An animal shall be presumed to be a problem animal in the event the Association has received individual written and signed complaints from at least six different lot owners. Lot Owners shall hold the Association harmless and indemnify the Association from any claim resulting from any action of their animals.

- (c) Vehicles Cars and all vehicles should be parked in a Garage approved by the DRC. Campers, large commercial trucks and vehicles (not pickups), motor homes, motorcycles, jet-skis, boats, boat trailers, truck and utility trailers and other recreational vehicles may not be maintained or stored on the Lots unless stored at all times in a garage approved by the Design Review Committee. Small boats ( 22' and under), kayaks and canoes may be stored in the rear of a structure. No abandoned vehicles shall be permitted on any Lot. A vehicle shall be considered abandoned if it remains non-operative for a period of 30 days. In such instance, the Association shall send a letter requiring removal of the vehicle within Fifteen (15) days from the receipt of the letter, and if the Owner does not comply within that period of time, the Association may have the vehicle towed away at the violator's expense. The Association may promulgate additional rules and regulations regarding the parking of all kinds of vehicles.
- (d) Lighting and Signs. Exposed bulbs shall not be permitted on any exterior light fixture and all such fixtures shall incorporate some sort of opaque light shield to mitigate ambient light pollution, dark sky lighting is preferred but not required. Temporary decorative lighting shall be permitted only between October 15 and November 5 and November 25 and January 5.
- (e) Temporary Structures. The owners of Lots within Stone Ridge, including tenants, guests or other invitees, are strictly prohibited from erecting, constructing, placing, using, occupying or living in any mobile home, recreational vehicle, yurt, tent, teepee or other similar structure (hereinafter referred to as "Temporary Residential Structure") on any Lot within Stone Ridge. Notwithstanding the foregoing, the DRC may approve a Temporary Residential Structure to facilitate the construction of an approved structure on a Lot provided that such structure is temporary. Temporary Residential Structures does not pertain to a Lot owner erecting a tent in their respective backyard for the purpose of a recreational camping experience for youth age 18 years and under. Under no circumstance shall the tent be erected for more than two-weeks.
- (f) Use and Occupancy. The use and occupancy of all Lots shall be limited to residential use. Notwithstanding the foregoing limitations, an Owner may use a Lot to operate a home occupation as long as such home occupation: (i) does not constitute a nuisance; (ii) does not entail any kind of manufacturing activity; (iii) does not create or generate any environmental pollution, including offensive noise or odor; (iv) does not require any on-site employees; and (v) does not have any appreciable increase in traffic.
- (g) No Hazardous Activities. No activities shall be conducted within The Estates at Stone Ridge which are or may be unsafe or hazardous to any person or property, including wildlife and trees. A Lot Owner shall be absolutely liable to all other Lot Owners, including Declarant, their family members, guest, invitees, licensees and contract purchasers for any damages or personal injuries resulting in such hazardous activities on his or her Lot.
- (h) Rentals. No time-sharing or other forms of interval ownership shall be allowed within The Estates at Stone Ridge. All lessees or tenants of residential dwellings shall in all respects be subject to the terms and conditions of this Declaration. The Association may regulate, prohibit and condition rental activity and may set rules on tenant access and use of Common Elements. Specifically, All Unit Owners are put on notice that the Association has the authority to ban, prohibit and/or regulate and/or license short term rental use of any and all units in the Estates at Stone Ridge and that Owners are

expressly taking title subject to this authority. Tenants and lessees shall be considered non-members for all Association purposes. All leases and rental agreements of Lots shall state that the failure of the tenant, renter or guest to comply with the terms of the Governing Documents shall constitute a default of the lease or rental agreement and of this Declaration, and such default shall be enforceable by either the Association or the landlord, or both.

- (i) Maintenance and Repairs. Lot Owners shall be responsible for the maintenance, upkeep, repair and replacement of the properties, landscaping, buildings, homes and Improvements within their Lot. All Lots shall be maintained in a neat and attractive condition. Each Lot at all times shall be kept in a clean, sightly, and wholesome condition. Trash, litter, junk boxes, bottles, cans, implements, machinery, lumber or other building materials shall not be permitted to remain exposed upon or within any Lot so that the same are visible from any neighboring Lot, any street or common area except as necessary during construction. The period of construction shall not exceed nine (9) months from the date the building permit is issued. Declarant, its agents and assigns and the Association, and its agents, shall have the authority to enter, replace, maintain, repair and clean up Lots and Improvements which do not conform to the provision of this section, and to charge and collect from the Lot Owners thereof all reasonable costs related thereto as an assessment hereunder. Areas where lawns have been planted shall be kept free of weeds, and unsightly vegetation.. Any building or Improvement which has been damaged by fire or other casualty causing the same to be unsightly shall be repaired or removed and revegetated within six (6) months from the date of such casualty.
- (j) Roadways. Declarant or the Association may set restrictions pertaining to speed of vehicles, traffic and parking regulations and noise level of vehicles, even if such restrictions are more restrictive than the laws of the state or local government having jurisdiction over the road within the Estates at Stone Ridge provided such restrictions are not unreasonable.
- (k) Unsightliness. All unsightly conditions, structures, facilities, equipment, objects and conditions shall be enclosed within an approved structure.
- (l) Easements. Individual Lot Owners may not grant easements across their Lots without the express written consent of both Declarant and the Association thereafter.
- (m) Rules and Regulations. In furtherance of the provisions of this Declaration, and the general plan, rule and regulations concerning and governing the Estates at Stone Ridge or any portion thereof may be adopted, amended, or repealed from time to time by the Executive Board and/or the DRC. The Executive Board may establish and enforce penalties for the infraction thereof. Breach of any Rule or Regulations shall constitute a noxious and offensive activity, constituting a nuisance.
- (n) Signs. Except for activities of Declarant, no signs, advertisements, billboards or advertising structures of any kind or character may be erected or maintained upon a Lot. Notwithstanding the foregoing, the Board or the DRC shall approve and authorize signage for street identification, public directions, rules enforcement and open space/trails/park usage. Real estate signage is allowed within The Estates at Stone Ridge so long as the sign is no larger than three feet square.

- (o) Garages. Each Lot Owner may construct a two (2) car garage attached to a primary residence or detached so long as it is within the building setback and so long as such garage is constructed of suitable material and design so as to be compatible with the materials and design of the primary dwelling. Every effort shall be made so that Garages are not the dominant architectural feature on the front of a unit and so that the front entrance to the house/unit is more prominent (“proud”) than the garage entrance.
- (p) Insurance Rates. Nothing shall be done or kept on the Lots which will increase the insurance rate on any Association property without prior Board approval, nor shall anything be done or kept in the properties which would result in the cancellation of insurance on any Association property or which would be in violation of any law.

3.2 **Declarant**. Notwithstanding anything to the contrary contained in this Declaration, it shall be expressly permissible for Declarant, its assigns, Estates at Stone Ridge employees and agents, to perform such reasonable activities, and to maintain portions of as deemed reasonably necessary or incidental to the construction, development and sale of Lots in the development of Estates at Stone Ridge and adjoining properties, specifically including, without limiting the generality of the foregoing, the maintenance of temporary business offices, storage areas, trash bins, construction yards and equipment, signs, model homes, temporary sales offices, parking areas and lighting facilities which do not constitute a nuisance to Lot Owners. Nothing in this Article shall be constructed to limit or interfere with the Declarant’s development of the Estates at Stone Ridge any additions thereto or any adjacent properties.

#### Article IV

#### STONE RIDGE OWNERS ASSOCIATION

3.1 **Formation and Purpose**. “The Estates at Stone Ridge Owners Association” is the name of the owner association formed pursuant to C.R.S. § 38-33.3-301. Estates at Stone Ridge Owners Association is a Colorado nonprofit corporation formed by filing Articles of Incorporation with the Colorado Secretary of State. The Association, through its Executive Board, shall perform certain functions and hold and manage certain property within Estates at Stone Ridge for the common benefit of the Association Members. The Association shall provide for the care, operation, management, maintenance, repair and replacement of the common elements, open space tracts, parks, drainage systems, waterways, ditches and natural trail systems to the extent not provided by the City of Montrose. The Association shall also have the authority and full power to negotiate with the City of Montrose to require its participation in the cost of maintaining areas within The Estates at Stone Ridge Association may arrange for comprehensive trash collection services to be paid by the Owners as an assessment as provided herein. The Association may maintain the trees and landscaping within the “OS” Tracts. And strips located within the public right of ways depicted on the Plat that do not boarder a platted Lot. Each individual Lot owner is responsible for maintaining any tress and/or landscaping that is within the width of the deeded Lot that borders any public right of way. The Association shall not, however, be responsible for any other maintenance, improvement or repair within such areas as the same is the accepted responsibility and cost of the City of Montrose.

3.2 **Membership**. The exclusive qualifications for membership in the Association is record ownership in fee simple of a Lot. A Lot Owner shall automatically be the holder of one “Membership” in the Association as Membership is appurtenant to each Lot. Title to and ownership



of a Membership shall pass only with the fee simple title to each Lot. The owner(s) of each Lot shall automatically be entitled to the benefits and be subject to the burdens relating to Membership as set forth in this Declaration, the Articles of Incorporation, Bylaws, and any Rules and Regulations promulgated by the Association. In the case of joint ownership of any Lot, the owners thereof shall be entitled to only one membership. Each membership shall be entitled to one vote in the affairs of the Association.

3.3 **Powers.** The Association shall have all the powers, authority and duties permitted or set forth in this Declaration, the Articles, the Act and the Colorado Revised Nonprofit Corporation Act, C.R.S. § 7-121-101, as amended. In general, the Association may do all acts that may be reasonably necessary or desirable to keep and maintain The Estates at Stone Ridge as a safe, attractive and desirable community.

3.4 **Declarant Control.** As allowed by C.R.S. § 38-33.3-303(5)(a), the Declarant hereby reserves full right and control of the Association for a period of time equal to the later of the following events:

- (a) Sixty (60) days after conveyance of Seventy-five percent of the Lots that may be created to unit owners other a declarant;
- (b) Two (2) years after the last conveyance of a Lot by Declarant in the ordinary course of business; or
- (c) Two (2) years after any right to add new units was last exercised.

During such period of Declarant Control, Declarant (or persons designated by Declarant) may appoint and remove, in its sole discretion, all officers and members of the Executive Board. Notwithstanding the foregoing provisions, the following shall apply with respect to the period of Declarant Control of the Association.

3.5 **Transfer of Control.** Within sixty (60) days after the Lot Owners other than Declarant elect a majority of the members of the Executive Board, Declarant shall deliver to the Association all Lot Owner and Association property held or controlled by Declarant as specified by the Act, C.R.S. § 38-33.3-303(9).

3.6 **Sub- Associations.** Notwithstanding any of the Declarants rights. The declarant shall have the ability and right to create sub associations within the development. These sub associations will have common elements and common assessments to maintain such elements.

#### **ARTICLE IV. ASSESSMENTS**

4.1 **Powers.** The Association shall have all the powers, authority and duties permitted or set forth in this Declaration, the Articles, the Act and the Colorado Revised Nonprofit Corporation Act, C.R.S. § 7-121-101, as amended. In general, the Association may do all acts that may be reasonably necessary or desirable to keep and maintain River Park II as a safe, attractive and desirable community.

4.2 **Apportionment of Common Expenses.** Except as provided in this Declaration, all Common Expenses and Assessments shall be assessed against all Lots in accordance with the formula for liability for the Common Expenses as set forth in this Declaration.

4.3 **Annual Assessment / Commencement of Common Expense Assessments.** Each Lot Owner, by accepting a deed to a Lot, shall be deemed to covenant and agree to pay Assessments to the Association. Assessments may be made on an annual basis against all Lots and shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year. The budget shall be submitted to the Lot owners for ratification pursuant to the Act. Common Expense Assessments shall be due and payable in monthly, quarterly, or annually. Assessments may begin on the first day of the month in which conveyance of the first Lot to a Lot Owner other than the Declarant occurs. The omission or failure of the Executive Board to levy the assessment for any period shall not be deemed a waiver, modification or a release of the Lot Owners from their obligation to pay. The initial Annual assessment shall be set at Two Hundred Fifty Dollars (\$250) and cannot be increased more than 10% in any calendar year without a majority vote of the voting members. Should the declarant determine a sub-association within the Estates of Stone Ridges is required, those annual sub association assessments are to be determined and are above and beyond this annual assessment.

4.4 **Nonpayment of Assessments.** Any Assessment, charge or fee provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within 20 days after the due date thereof, as established by the Executive Board, shall bear interest at the rate of 21% per annum from the due date, and the Association may assess a reasonable late fee as determined by the Executive Board. Failure to make payments within sixty (60) days of the due date thereof shall cause the total amount of such overdue assessments, charges or fees, or monthly or other installments to become immediately due and payable at the option of the Board. The Association may also bring an action at law or in equity, or both, against any Lot Owner personally obligated to pay such overdue assessments, charges or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Owner's Lot. An action at law or in equity by the Association against a Lot Owner to recover a money judgment for unpaid assessments, charges or fees, or monthly or other installments, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien therefor. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessment, charges or fees, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Lot at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, vote the Association votes appurtenant to ownership thereof, convey or otherwise deal with the same. If a foreclosure action is filed to foreclose any assessment lien, and a Lot Owner abandons or leaves vacant his or her Lot, the Board may take possession and rent said unit or apply for the appointment of a receiver for the Lot without prior notice to the Lot Owner. The rights of the Association shall be expressly subordinate to the rights of any holder of a First Lien Security Interest as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent permitted under the Act.

4.5 **Lien Priority.** The lien of the Association under this article is a continuing lien, prior to all other liens and encumbrances on a Lot except: (1) liens and encumbrances recorded before the recordation of the Declaration; (2) a First Lien Security Interest on the Lot (except as allowed by the Act with regard to the limited lien priority allowed to the Association); and (3) liens for real estate taxes and other governmental assessments or charges against the Lot. This Article does not affect the priority of mechanics' or materialmen's' liens. Each Lot Owner recognizes and accepts that the lien of the Association under this Article is not subject to the provision of any homestead exemption as allowed under state or federal law. Sale or transfer of any Lot shall not affect the lien for Assessments or charges except that sale or transfer of any Lot pursuant to foreclosure of any First Lien Security Interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the lien of assessment charges as provided by state law. No such sale transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of

foreclosure, nor cancellation or forfeiture shall relieve any Lot from continuing liability for any assessment charges thereafter becoming due, nor from the lien thereof.

4.6 **Owner's Negligence or Misconduct.** If the need for maintenance, repair, or replacement of the Common Elements, or any portion thereof, is caused through or by the negligent or willful act or omission or misconduct of an Owner, Related Users, agents, employees, customers or invitees, then the expenses, costs, and fees incurred by the Association for such maintenance, repair, or replacement shall be a personal obligation of such Owner, and if not repaid to the Association within seven (7) days after the Association shall have given notice to the Owner of such expenses, costs, and fees shall automatically become a default assessment determined and levied against such Lot, and the Association may proceed in accordance with the applicable provisions of Article 4 hereof.

#### **ARTICLE V. DESIGN REVIEW / DESIGN REVIEW BOARD**

5.1 **Design Review Board.** Declarant hereby establishes a Design Review Committee ("DRC") which shall consist of at least three, but not more than five members. To help ensure that Declarant is able to guide and maximize the value of its desired development for Estates at Stone Ridge, until 75% of the Lots to be created have been conveyed to Lot Owners, Declarant, in its sole discretion, shall appoint all members of the DRC, and may remove any appointee at any time upon written notice to such appointee. Thereafter, the Executive Board shall appoint the members of the Design Review Board Committee in accordance with the Bylaws.

- (a) Qualification. Except for the members that may be appointed by Declarant, all but 2 members of the DRC appointed by the Executive Board shall be a Lot Owner if there are 5 DRC members and all but 1 member of the DRC shall be Lot Owners if there are 3 DRC members.
- (b) Term. Notwithstanding the above, appointments shall be for staggered terms of a year's different in termination so as to provide reasonable continuity to design review process.
- (c) Exemption. Real estate owned by the Declarant (including both Lots and Common Elements) and Real Estate owned by the Declarant (including both Lots and Common Elements) and Real Estate owned by successors or assignees of Declarant assigned Declarant's exemptions hereunder shall be exempt from any control of the DRC.
- (d) Power of Appointment by Declarant. Until 75% of the Lots have been conveyed to Lot Owners, Declarant, in its sole discretion, may at any time grant the power of appointment of the members of the DRC, and the chairman thereof, to any entity succeeding to substantially all of the assets of the Declarant, or to the Association.

5.2 **Design Criteria.** The DRC shall exercise its reasonable judgment to the end that all attachments, Improvements, construction, landscaping and alterations to Lots, Common Elements and Limited Common Elements within The Estates at Stone Ridge shall comply with the restrictions, standards and requirements of this Declaration. The DRC may establish design rules and guidelines more specific than those set forth in this Declaration including standards for review applicable to all Lots. The approval or consent of the DRC on matters properly coming before it shall not be unreasonably withheld, and actions taken shall not be arbitrary or capricious. Decisions shall be conclusive and binding on all interested parties. Approval shall be based upon, but not limited to, conformity and harmony, effective location and use of Improvements on nearby Lots, preservation

of aesthetic beauty and conformity with the specifications, restrictions and purposes of this Declaration.

**5.3 Required Approvals.** No building, fence, alteration, shed or other structure or Improvement shall be made to a Stone Ridge Lot, including but not limited to a change in color of exterior siding, unless complete and legible plans, specifications and samples have been first submitted to and approved in writing by the DRC. The DRC shall require applications for Improvements to include plans and specifications to show exterior design, height, materials, color, location of the structure or additions to the structure, horizontal and vertical plots, location and size of driveways, landscaping plans, fencing, walls, windbreaks and grading plan, as well as such other materials and information as may be required by the DRC.

**5.4 Reply and Communication.** The DRC shall reply to all submittal of plans made in accordance herewith in writing within Thirty (30) days after receipt. If approval of the plans is neither granted nor denied within this Thirty (30) day time frame after receipt, such plans shall be deemed approved. Where prior written consent of approval of the DRC is required under the Declaration with respect to the making of an Improvement, such Improvements shall be conclusively deemed to have been made in compliance with the Declaration unless a notice of intention to commence legal action challenging and objection thereto is issued by the DRC within one hundred and twenty (120) days after completion of such Improvement. All communications and submittals shall be addressed to the DRC at such address as the chairman of the DRC shall hereafter designate in writing addressed and mailed to the Lots Owners.

**5.5 Variances.** The DRC may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Declaration in order to overcome practical difficulties and unnecessary hardships arising by reason of the application of the conditions and restrictions contained in these covenants or in a development guide. Such variances or adjustments shall be granted only when the granting thereof shall not be materially detrimental or injurious to the other Lots or Common Elements nor deviate substantially from the general intent and purpose of this Declaration. In the event that the request for a variance is disapproved by the DRC, the applicant shall have the right of appeal to the Executive Board of the Association.

**5.6 Waivers.** The approval or consent of the DRC, or appointed representative thereof, to any application for design approval shall not be deemed to constitute a waiver of any right to hold or deny approval or consent by the committee as to any application or their matters subsequently or additionally submitted for approval or consent.

**5.7 Liability.** The DRC and the members thereof, as well as any representative of the committee designated to act on its behalf, shall not be liable in damages to any person submitting requests for approval or failure to approve or disapprove in regard to any matter within its jurisdiction under these covenants. Every Lot Owner or other person who submits plans for approval agrees, by submission of such plans and specifications, that he will not bring any action or suit against the approving body or Declarant to recover any such damages. Approval of plans and specifications shall not be deemed to constitute compliance with the requirements of any local building codes or land use regulations and it shall be the responsibility of the Lot Owner or other person submitting plans and specifications to comply therewith.

**5.8 Records.** The DRC shall maintain written records of all applications submitted to it and of all actions taken by it with respect thereto. Such records shall be open and available for inspection by any interested party during reasonable hours of the business day.

5.9 **Inspection.** The DRC shall have the right and authority to inspect construction in progress to assure its conformance with plans approved by the Committee.

5.10 **Enforcement.** Enforcement of this Declaration may be by any proceeding at law or equity against any person or persons violating or attempting to violate any such provision. The DRC and any interested Lot Owner shall have the right but not the obligation to institute, maintain and prosecute any such proceedings. In any action instituted or maintained under this Article, the DRC shall be entitled to recover its costs and reasonable attorneys' fees incurred pursuant thereto, as well as any and all other sums awarded by the Court. Failure of the DRC or of any Lot Owner to enforce any covenant or restriction herein contained shall, in no event, be deemed a waiver of the right to do so thereafter.

**ARTICLE VI.  
SPECIAL DECLARANT RIGHTS, DEVELOPMENT RIGHTS  
AND OTHER RESERVED RIGHTS**

Notwithstanding any provision in this Declaration and the Governing Documents to the contrary, all Development Rights and Special Declarant Rights set forth in this Article 6 shall terminate when (i) the maximum Lots allowed in The Estates at Stone Ridge have been sold to individual Lot Owners and all initial Improvements thereon are completed, or (ii) July 1, 2056, whichever shall first occur. Nothing stated in this Article, including the degree of specificity, shall be deemed to limit or waive any of Declarant's common law property rights or entitlements, all of which are hereby reserved. All rights reserved by this Article shall be fully assignable and transferable to any person, dealer, entity or governmental agency.

6.1 **Development Rights and Special Declarant Rights.** Declarant has, and by these presents does hereby reserve the following Development Rights and Special Declarant Rights:

- (a) The right to relocate boundaries between adjoining Lots, the right to enlarge Lots, enlarge the Common Elements, reduce or diminish the size of Lots, reduce or diminish the size of areas of the Common Elements, subdivide Lots, condominiumize Lots, Create Sub- Associations, complete or make improvements (whether or not indicated on the Estates at Stone Ridge Plat), relocate and realign trails;
- (b) The right to create or construct additional Lots, Common Elements or Limited Common Elements, to subdivide Lots and to convert Lots into Common Elements or to convert Common Elements into Lots;
- (c) The right to use, and to permit others to use, the easements, utility infrastructure, drainage systems, waterways, pipelines, ditches, trails, parks, common spaces, common elements, public roads, public streets, public alleys, public sidewalks and public paths through Estates at Stone Ridge for construction, performance or exercise of Declarant's rights under this Declaration and otherwise;
- (d) The right to merge or consolidate Estates at Stone Ridge with another Community;
- (e) The right to appoint or remove any officer of the Association or any Director during the period of Declarant Control;

- (f) The right to add part or all of the real property described on Exhibit B hereto and to create additional lots on said additional property and subject the same to these covenants. The addition of said additional property may, at the discretion of the Declarant, be done all at once or in phases or not at all.
- (g) The right to add Lots and to subject all or any part of unspecified real property to the provisions of this Declaration;
- (h) The right to amend the Governing Documents or any other maps or plats in connection with the exercise of any development right;
- (i) The right to assign in whole or in part, to the Association, or to its successors in title to any portion of , any of the Estates at Stone Ridge rights reserved in the Declaration upon execution and delivery of such assignment in writing;
- (j) The right to appoint members of the DRC and the Board of Directors;
- (k) The right to impose additional restrictive covenants and protective covenants upon Estates at Stone Ridge provided they are not inconsistent with, nor do they lower the standards of the original covenants;
- (l) The right to exercise any Development Rights defined, reserved or allowed in the Act, C.R.S. § 38-33.3-103(14), including but not limited to, the right to withdrawal pursuant to C.R.S. § 38-33.3-205, all of which rights are incorporated herein by reference as though fully set forth;
- (m) The right to exercise any Special Declarant Rights defined, reserved or allowed in the Act, C.R.S. § 38-33.3-103(29), all of which rights are incorporated herein by reference as though fully set forth;
- (n) All the easement rights specified by C.R.S. 38-33.3-216(1);
- (o) The right to improve, maintain, and use all the easements created, reserved and disclosed in this Declaration together with the right to assign the same.
- (p) The perpetual right to retain and lease Lots;
- (q) The right to extend, improve and use access to adjoining properties and Declarant's property (which right may exercise now or at any time in the future regardless of when and whether Declarant exercises development rights relative to subsequent Filings); and
- (r) The right to establish and declare additional easements and dedications for roads, utilities, trails.
- (s) The right to assign all or part of the declarant rights to a new owner of the property described on Exhibits A and/or B.

Each of the foregoing reserved rights may only be exercised in a manner consistent with the Act, except that Declarant may, subject to applicable law, change the overall development plan for The Estates at Stone Ridge. The Declarant may exercise all its reserved rights in connection with other persons and entities and additional property may be added to the

Estates at Stone Ridge through annexation. Declarant makes no assurance concerning the construction, building types, architectural style and/or size of Lots as may be created; provided, however, that the quality of construction will be consistent with the Improvements constructed in the initial portions of Estates at Stone Ridge. Subsequent to the initial real estate and Improvements made subject to this Declaration, any additional buildings, structures and types of Improvements to be placed on the Lots, Common Elements, Limited Common Elements, or public right of ways may be of such quality and type as the person developing the same may determine, and those Improvements need not be of the same size, style or configuration.

6.2 **Other Additional Reserved Rights.** Declarant also reserves the following additional rights.

- (a) **Sales.** The right to maintain sales offices, management offices and models in Lots or on the Common Element.
- (b) **Signs.** The right to maintain signs and advertising on Estates at Stone Ridge to advertise the Estates at Stone Ridge or other communities developed or managed by, or affiliated with, the Declarant.
- (c) **Dedications.** The right to establish, from time to time, by dedication or otherwise, public streets, utility or other easements for purposes including, but not limited to, public access, access paths, trails, walkways, drainage, recreational areas, parking areas, ducts, shafts, flues, ditches, conduit installation areas, and to create other reservations, exceptions and exclusions.
- (d) **Use Agreements.** The right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use or lease of water, the use lease, repair, maintenance or regulation of Common Elements, all of which may or may not be a part of Estates at Stone Ridge.
- (e) **Construction Easement.** Declarant and its assignees expressly reserve the right to perform warranty work, and repairs and construction work, and to store materials in secure areas, in Lots and in Common Elements, and the future right to control such work and repairs and the right of access thereto, until completion. All work may be performed without the consent or approval of any Lot Owner or holder of a First Lien Security Interest. Declarant and its assignees have such an easement through the Common Elements as may be reasonably necessary for exercising reserved rights and special declarant rights and for access and utilities to any properties which Declarant had the right to add to Estates at Stone Ridge but which have not been added. Such easement includes the right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across all portions of Estates at Stone Ridge except Lots sold to a purchaser unless disclosed and/or reserved.
- (f) **Reimbursements.** The prior right to receive, obtain and demand financial reimbursement and fees from governmental agencies, the City of Montrose and any other person, developer, landowner or entity who wishes to use and/or tie into any of the infrastructure, roads or utilities installed by the Declarant as part of a private agreement, special district, improvement district or other mechanism whatsoever.
- (g) **Unspecified Real Estate.** The right to subject additional unspecified adjoining real property to the provisions of these Declarations and to otherwise create additional

Lots. The consent of the existing Lot owners or holders of first lien security interests shall not be required for any such expansion by the Declarant and by accepting title to a Lot, each Owner hereby waives such right.

- (h) Other Rights. The right to exercise any additional reserved right created by any other provision of this Declaration or the Governing Documents.

**6.3 Rights Transferable/Rights Transferred.** Any rights created or reserved under this Article or the Act for the benefit of Declarant may be transferred to any person by an instrument describing the rights transferred recorded in the real property records of Montrose County, Colorado. Such instrument shall be executed by the transferor Declarant and the transferee. The rights transferred may then be exercised in compliance with the requirements of C.R.S. 38-33.3-210 and C.R.S. 38-33.3-209(6) without the consent of the Association, any Lot Owner or any holders of First Lien Security Interests.

**6.4 No Further Authorizations Needed.** The consent of Lot Owners or holders of First Lien Security Interests shall not be required for exercise of any reserved rights, development rights or special declarant rights provided the rights to be exercised are consistent with any planned unit development or other governmental conditions or requirements, and Declarant or its assignees may proceed without limitations at its sole option. Declarant or its assignees may exercise any reserved rights on all or any portion of the Estates at Stone Ridge in whatever order determined. Declarant or its assignees shall not be obligated to exercise any reserved right or to expand, improve or supplement the Estates at Stone Ridge beyond the number of Lots initially submitted.

**6.5 Amendment of the Declaration or Map.** If Declarant or its assignees elect to exercise any rights set forth in this Article, that party shall comply with the Act by recording an amendment to the Declaration and/or an amendment to the Estates at Stone Ridge plat.

**6.6 Interpretation.** Recording of amendments to the Declaration and the Estates at Stone Ridge pursuant to reserved right in this Declaration shall automatically effectuate the terms and provisions of that amendment. Further, upon the recording of an amendment to the Declaration, the definitions used in this Declaration shall automatically be extended to encompass and to refer to Estates at Stone Ridge as expanded and to any Additional Improvements, and the same shall be added to and become a part of the Estates at Stone Ridge for all purposes. All conveyances of Lots after such amendment is recorded shall be effective to transfer rights in all Common Elements, whether or not reference is made to any Amendment of the Declaration or Estates at Stone Ridge Plat. Reference to the Declaration an Estates at Stone Ridge Plat in any instrument shall be deemed to include all Amendments to the Declaration, and the Estates at Stone Ridge Plat without specific reference thereto. Reference to these Declarations and Plat Map in any instrument shall be deemed to include all amendments thereto.

**6.7 Termination of Reserved Rights.** The rights to reserved to Declarant, for itself, its successors and assigns, shall expire as set forth herein, unless (i) reinstated by the Association, subject to whatever terms, conditions and limitations the Executive Board may impose on the subsequent exercise of the expansion right by Declarant, (ii) extended as allowed by law or, (iii) terminated by written instrument executed by the Declarant, recorded in the records of the Clerk and Recorder of Montrose County, Colorado.

**6.8 Additions by Others.** Additions of Lots to Estates at Stone Ridge may be made by persons other than the Declarant, or its successors and assigns or Owners, upon approval of the Association pursuant to a vote of a majority of a quorum of its members. Such approval shall be evidenced by a



certified copy of such resolution of approval and a supplement or amendment to this Declaration, both recorded in records of the Montrose County Clerk and Recorder.

**ARTICLE VII.  
INSURANCE AND CONDEMNATION**

7.1 **Owner Insurance Duties and Obligations.** All Owners shall obtain and maintain (at their own expense) in full force and effect, at all times, all necessary and appropriate insurance coverage for their particular Lot and Improvements (including all easements over and across their Lots) for general liability and hazards.

7.2 **Association Insurance Carried.** The Association shall obtain and maintain in full force and effect, to the extent reasonably available and at all times, the insurance coverage set forth herein; which insurance coverage shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado. The Association shall maintain, to the extent reasonably available, with the following terms and provisions:

- (a) All policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a Lot Owner and shall provide that such policies may not be canceled or modified without a least thirty (30) days prior written notice to all of the Lot Owners and the Association.
- (b) If requested by the holder of a First Lien Security Interest, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to such holder.
- (c) All liability insurance shall be carried in blanket form, naming the Association, the Board, the manager or managing agent, if any, the officers of the Association, the Declarant, their successors and assigns, and Lot Owners as insured.

7.3 **Hazard Insurance on the Common Elements.** The Association shall obtain adequate hazard insurance covering loss, damage or destruction by fire or other casualty to the improvements, installed or made to the Common Elements and the other property of the Association. If obtainable, the Association shall also obtain the following and any additional endorsements deemed advisable by the Executive Board (a) an inflation guard endorsement, and/or (b) any special PUD endorsements.

7.4 **Liability Insurance.** The Association shall obtain adequate comprehensive policy of public liability and property damage liability insurance covering all of the Lots and the Common Elements, including structural coverage of the Lots, in such limits as the Board may determine from time to time, but not in any amount less than One Million Dollars (\$1,000,000.00) per injury, per person, and per occurrence, and in all cases covering all claims for bodily injury or property damage. Coverage shall include, without limitations, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other uses of the Estates at Stone Ridge. All liability insurance shall name the Association as the insured.

7.5 **Fidelity Insurance.** The Association may obtain adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the part of its officers, directors, trustees and employees and on the part of all others who handle or are responsible for handling the funds of the Association, including persons who serve the Association with or without compensation. The clause "officer, directors, trustees and employees" shall not include any officer, director, manager or managing agent

heretofore or hereafter employed by the Association. The fidelity coverage or bonds should be in an amount sufficient to cover the maximum funds that will be in the control of the Association, its officers, directors, trustees and employees.

7.6 **Worker's Compensation and Employer's Liability Insurance.** The Association, to the extent it has any employees, shall obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

7.7 **Officers' and Directors' Personal Liability Insurance.** The Association may obtain officers' and directors' personal liability insurance to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as officers and directors on behalf of the Association. Neither the term "officers" nor the term "directors" shall include any officer, director, agent or employee of Declarant nor any officer, director, employee or agent of any professional manager or managing agent heretofore or hereafter employed by the Association.

7.8 **Other Insurance.** The Association may obtain insurance against such other risks, of similar or dissimilar nature, including flood insurance and Infrastructure insurance, as it shall deem appropriate with respect to the Association responsibilities and duties.

7.9 **Annual Insurance Review.** The Board shall review the insurance carried by and on behalf of the Association at least annually, for the purpose of determining the amount of insurance required. In no event shall any casualty insurance policy contain a co-insurance clause for less than one hundred percent of the full insurable replacement cost.

7.10 **Insurance Premium.** Except as assessed in proportion to risk, insurance premiums for the above provided insurance shall be a Common Expense to be included as a part of the assessments levied by the Association.

7.11 **Managing Agent Insurance.** The manager or managing agent, if any, shall be insured for the benefit of the Association and shall submit evidence of such coverage to the Association.

7.12 **Waiver of Claims Against Association.** As to all policies of insurance maintained by or for the benefit of the Association and Lot Owners, the Association and the Lot Owners hereby waive and release all claims against one another, the Board and Declarant, to the extent of the insurance proceeds available, whether or not the insurance damage or injury is caused by the negligence of or breach of any agreement by and of said persons.

7.13 **Adjustments by the Association.** Any loss covered by an insurance policy described above shall be adjusted by the Association, and the insurance proceeds for that loss shall be payable to the Association and not to any holder of a First Lien Security Interest. The Association shall hold any insurance proceeds in trust for the Association, Lot Owners and holders of the First Lien Security Interest as their interests may appear. The proceeds must be distributed first for the repair or restoration of the damaged property, and the Association Lot Owners and holders of the First Lien Security Interest are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored.

7.14 **Duty to Repair.** Any portion of the Estates at Stone Ridge for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association or Lot Owner, at the Lot Owner's option, whether the repair is done by the Association or the Lot Owner, except as provided in the Act.

7.15 **Condemnation and Hazard Insurance Allocations and Distributions.** In the event of a distribution of condemnation proceed or hazard insurance proceeds to the Lot Owners, the distribution shall be as the parties with interests and right are determined or allocated by record and pursuant to the Act.

**ARTICLE VIII.  
MISCELLANEOUS PROVISIONS**

8.1 **General Enforcement.** The Declarant, the Association, or Lot Owner(s) may enforce the restrictions, conditions, covenants, and reservations contained by this Declaration by proceedings at law or in equity against any person or persons, either to recover damages for the breach, threatened breach or violation thereof and shall recover its reasonable attorneys' fees incurred in enforcing these covenants or to restrain such violation or attempted violation. The Association and the Board shall be empowered to use its best judgment in determining whether or not to take action to enforce these restrictions, conditions, covenants and reservations and in the event it chooses not to take such an action, it shall not be liable to anyone, including any Member, for its failure or refusal to take such an action, nor shall any Member be entitled to injunctive or declaratory relief requiring the Board to take any enforcement action. Failure of the Declarant, the Association or of any Lot Owner to enforce any covenant or restriction herein contained shall not be deemed a waiver of the right to do so thereafter. The Executive Board may mail or post on a bulletin board at a conspicuous place within the Common Elements notices of any covenant violations by members and copies of any recorded statements. Failure to post shall not affect the validity of any lien or covenant violation. In the event a Lot Owner or Declarant brings an action to enjoin any violation of this Declaration, each Owner shall be deemed to have covenanted and agreed to the entry of a temporary restraining order, preliminary injunction and permanent injunction, without the requirements of a security bond being posted under the provisions of the Colorado Court Rules or applicable statutes.

8.2 **Association Enforcement.** In the event of a failure or refusal to comply strictly with any provision of this Declaration, and a determination by the Association that it will pursue the enforcement action, a notice shall be mailed by the Association to such violator setting for the nature of the violation, including the provisions of this Declaration violated, and shall be signed by at least one member of the Executive Board or an officer of the Association. Such notice shall also state the action required by the Owner to cure the violation, the time required for such action and the nature of the action contemplated by the Association if the violation is not cured by the Owner. Any action taken by the Association to correct such violation shall be at the sole cost and expense of such Owner (including any attorneys' fees incurred in conjunction therewith), and the Association shall charge and assess such Owner for the full cost thereof. The Association may avail itself of any and all remedies available to it in law or equity including, but not limited to, injunctive action and appropriate restraining orders.

8.3 **Severability.** Each of the provisions of this Declaration shall be deemed independent and severable. If any provision of this Declaration or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this Declaration which can be given effect without the invalid provisions or applications.

8.4 **Amendment of Declaration, Map or Plat by Declarant.** If Declarant shall determine that any amendments shall be necessary in order to make non-material changes, such as for the correction of a technical, clerical or typographical error or clarification of a statement or for any changes to or addition of real property not yet part of or adjacent to The Estates at Stone Ridge, then, subject to the following sentence of this Article, Declarant shall have the right and power to make and execute any such amendments without obtaining the approval of any Lot Owner or the Association. Each such amendment of this Declaration shall be made, if at all, by Declarant prior to

the expiration of twenty (20) years from the date this Declaration is recorded, and a copy of such amendment shall be mailed first class, postage prepaid to all Lot Owners. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to make or consent to an amendment under this Article on behalf of each Lot Owner and holder of a Security Interest. Each deed, Security Interest, other evidence of obligation or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power of Declarant to make, execute and record an amendment under this Article.

**8.5 Amendment of Declaration by Lot Owners.** Except as otherwise provided in this Declaration, and subject to provisions elsewhere contained in this Declaration requiring the consent of Declarant or others, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended or repealed at any time and from time to time upon approval of at least sixty-seven (67%) of the votes of the Association Members entitled to vote and with the written consent of the Association. The amendment shall be recorded in the office of the Clerk and Recorder of Montrose County, Colorado, setting forth the amendment in full and certifying that the amendment has been approved as set forth above, and containing the written consent and approval of the Association.

**8.6 Required Consent of Declarant to Amendment.** Notwithstanding any other provision in this Declaration to the contrary, any proposed amendment to or repeal of any provision of this Declaration reserving development rights to or for the benefit of the Declarant, or its successors and assignees, shall not be effective unless Declarant, and its assignees, if any, have given written consent to such amendment or repeal, which consent may be evidenced by the execution by Declarant or its assignees of any certificate of amendment or repeal. The foregoing consent requirement shall be an express condition precedent to any such amendment or repeal.

**8.7 Interpretation.** This Declaration shall be liberally construed to effectuate the purposes of (i) creating a uniform plan for the future development of the Estates at Stone Ridge, (ii) the development and maximum economic use of Declarant's adjoining properties, (iii) the development and use of other near and adjoining properties with the consent and cooperation of Declarant, and (iv) promoting and effectuating the fundamental concepts set forth in this Declaration. This Declaration shall not be deemed to create any third party beneficiaries or allow or permit any person or entity to use the infrastructure and improvements installed and developed by Declarant without the prior written consent of and compensation to Declarant. All regulations, rules and laws of the City of Montrose shall apply to Estates at Stone Ridge (including the Residential Zone District for all residential lots), as modified by the Preliminary Plat Approval, P.U.D. Agreement and the final plats and each Owner and the Association shall comply with the same. The Laws of the State of Colorado shall govern and construe this Declaration.

**8.8 Binding Document.** Except as otherwise provided herein, this Declaration shall be a binding real covenant upon and shall inure to the benefit of Declarant, the Association, and each Owner and their respective tenants, heirs, personal representatives, agents, successors and assigns. Each Owner within Stone Ridge, by virtue of acceptance of any right, title or interest in any real property within Stone Ridge, shall be deemed to have accepted, ratified, adopted this Declaration and declared it as a personal covenant of such Owner and the Association. This Declaration, and all its provisions, as amended, shall run with and bind the title to the land submitted hereby in perpetuity.

**8.9 IMPORTANT NOTICE.** Any person who desires to buy a Lot in The Estates at Stone Ridge should (i) obtain the advice of a lawyer before doing so because this written Declaration

imposes important obligations, disclosures and limitations regarding the ownership of a Lot. This notice is intended to equalize the commercial setting of the negotiations.

IN WITNESS WHEREOF, Declarant executed this Declaration as of the date subscribed above.

**DECLARANT: STONE RIDGE OF MONTROSE, LLC**  
a Colorado limited liability company

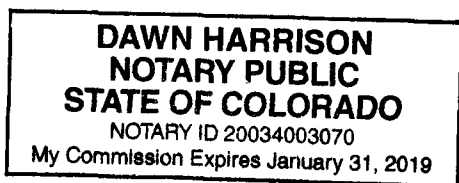
By: Todd E. Gray  
Todd E. Gray, Manager

STATE OF COLORADO     }  
  }  
OURAY COUNTY            }

*Todd E. Gray, personally appeared before me and acknowledged the foregoing Declaration of Covenants, Conditions and Restrictions in his capacity as Manager STONE RIDGE OF MONTROSE, LLC, a Colorado limited liability company, on this 6<sup>th</sup> day of December, 2016.*

*Witness my hand and official seal.*  
*My commission expires: 1/31/2019.*

*[Signature]*  
Notary Public



## EXHIBIT A

**DESCRIPTION OF THE PROPERTY AT THE TIME THE DECLARATION IS RECORDED:** Lot 14, 57 thru 77, 82, 90 thru 92, according to the Plat recorded at Reception No. 765106 in the Office of the Montrose County Clerk & Recorder. Situated is US Govt. Lot 18 and SW  $\frac{1}{4}$  SE  $\frac{1}{4}$  of Sec. 4, T.48N., R.9W., N.M.P.M. City of Montrose, County of Montrose, State of Colorado

Subject to the Following:

- 1.) The Final Plat of The Estates at Stone Ridge Filing # 1 recorded at Reception NO. 765106 in the office of the Montrose County Clerk & Recorder.
- 2.) The preliminary plat Development Agreement in the office of the Montrose County Clerk and recorder

**EXHIBIT B**

**Description of Property which Declarant reserves the right to add to this Community**

Outlot(s) A, B, C, D, according to the Plat recorded at Reception No. 765106 in the Office of the Montrose County Clerk & Recorder. Situated is US Govt. Lot 18 and SW  $\frac{1}{4}$  SE  $\frac{1}{4}$  of Sec. 4, T.48N., R.9W., N.M.P.M. City of Montrose, County of Montrose, State of Colorado